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identifying and segregating cash flows paid to satisfy the payment obligations triggered by certain events for the instruments in the reference pool; and

issuing a guarantee certificate to entitle a holder of the certificate to receive at least one payment from the identified and segregated cash flows.

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11. (Amended) A method for issuing a guarantee certificate, which is a financial instrument representing an obligation of a first party to make payments triggered by certain default-related events involving a loan to a second party, the method comprising the steps of:

pooling securitized loans into a reference pool;

identifying and segregating cash flows associated with the obligation triggered by certain default-related events for each of the securitized loans in the reference pool; and

issuing a guarantee certificate that entitles its holder to receive at least one payment from the identified and segregated cash flows.

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15. (Amended) A method for issuing a guarantee certificate, which is a financial instrument representing an obligation of a first party to make payments triggered by certain default-related events involving a loan to a second party, the method comprising the steps of:

pooling loans into a reference pool;

determining a payout formula based on the obligation triggered by certain default-related events involving the loans in the reference pool; and

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issuing a guarantee certificate that entitles its holder to receive at least one payment determined by the payout formula.

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18. (Amended) A method for administering a guarantee certificate, which is a financial instrument representing an obligation of a first party to make payments triggered by a default-related event involving a loan to a second party, the method comprising the steps of:

- determining when the triggering loan-default-related event has occurred;
- calculating a payment based on the determined triggering loan-default-related event; and
- causing a holder of the guarantee certificate to be paid the calculated payment.

19. (Amended) The method of claim 18, wherein the step of determining when the triggering loan-default-related event has occurred includes:

- querying an information source for a current status of the payment obligation;
- and
- comparing the current status to the triggering loan-default-related event.

20. (Amended) The method of claim 18, wherein the step of determining when the triggering loan-default-related event has occurred includes:

- accepting a current status of the payment obligation; and
- comparing the current status to the triggering loan-default-related event.

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22. (Amended) The method of claim 18, wherein the step of calculating a payment includes:

calculating a payment as an amount determined by formula based on a predetermined loan-default-related event trigger.

23. (Amended) The method of claim 18, wherein the step of causing a holder of the guarantee certificate to be paid includes:

issuing instructions to an agent to pay the calculated payment to a holder of the guarantee certificate.

24. (Amended) A system for administering a guarantee certificate, which is a financial instrument representing an obligation of a first party to make payments triggered by a default-related event involving a loan to a second party, the system comprising:

means for calculating a payment when it is determined that the triggering loan-default-related event has occurred; and

means for causing a holder of the guarantee certificate to be paid the calculated payment.

25. (Amended) The system of claim 24, wherein the means for determining when the triggering loan-default-related event has occurred includes:

means for querying an information source for a current status of the payment obligation; and

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means for comparing the current status to the triggering loan-default-related event.

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26. (Amended) The system of claim 24, wherein the means for determining when the triggering loan-default-related event has occurred includes:

means for receiving a current status of the payment obligation; and

means for comparing the current status to the triggering loan-default-related event.

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28. (Amended) The system of claim 24, wherein the means for calculating a payment includes:

means for calculating a payment as an amount determined by formula based on a predetermined loan-default-related event trigger.

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30. (Amended) A computer program product comprising:

a computer usable medium having computer readable code embodied therein for administering a guarantee certificate, which is a financial instrument representing an obligation of a first party to make payments triggered by a default-related event involving a loan to a second party, comprising:

computer readable code for determining when the triggering loan-default-related event has occurred;

computer readable code for calculating a payment based on the determined triggering loan-default-related event; and

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computer readable code for causing a holder of the guarantee certificate to be paid the calculated payment.

31. (Amended) The computer produce of claim 30 wherein the computer readable code for determining when the triggering loan-default-related event has occurred includes:

computer readable code for querying an information source for a current status of the payment obligation; and

computer readable code for comparing the current status to the triggering loan-default-related event.

32. (Amended) The computer product of claim 30, wherein the computer readable code for determining when the triggering loan-default-related event has occurred includes:

computer readable code for accepting a current status of the payment obligation; and

computer readable code for comparing the current status to the triggering loan-default-related event.

34. (Amended) The computer product of claim 30, wherein the computer readable code for calculating a payment includes:

computer readable code for calculating a payment as an amount determined by formula based on a predetermined loan-default-related event trigger.

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